

RESOLUTION NO. 20070308-002

WHEREAS, the City of Austin (the "Issuer") is a home rule city authorized to issue obligations to finance its activities, the interest on which is excludable from gross income for federal income tax purposes ("tax-exempt obligations") pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Issuer has concluded that it does not currently desire to issue tax-exempt obligations to finance this payment; and

WHEREAS, the Issuer desires to reimburse itself for these expenditures related to projects funded by General Obligation Bonds approved by the voters in the November 2006 Special Municipal Election, as follows:

- Proposition 1 project expenditures in the amount of \$10,000,000 related to street reconstruction and sidewalk reconstruction and improvements;
- Proposition 2 project expenditures in the amount of \$37,000,000 related to Watershed Protection Master Plan Projects and Open Space preservation;
- Proposition 3 project expenditures in the amount of \$10,500,000 related to park facilities, facility improvements, and facility renovations and parkland acquisition and development;
- Proposition 4 project expenditures in the amount of \$650,000 related to Community and Cultural facility projects;
- Proposition 5 project expenditures in the amount of \$5,000,000 related to affordable housing programs; and

- Proposition 7 project expenditures in the amount of \$21,850,000 related to public safety facility projects.

WHEREAS, the Issuer reasonably expects to issue tax-exempt obligations to reimburse itself for expenditures made as described above; **NOW, THEREFORE**,

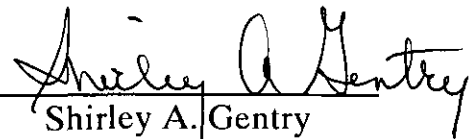
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The Issuer reasonably expects to reimburse itself for all costs that have been paid during the 60 days preceding this date or that will be paid after this date from the proceeds of tax-exempt obligations to be issued by or on behalf of the Issuer at a future date for expenditures in an aggregate principal amount not to exceed \$85,000,000 for expenditures related to the above-described projects; and

The Issuer reasonably expects that the maximum principal amount of tax-exempt obligations issued to reimburse the Issuer for the above-stated expenditures will not exceed \$85,000,000.

ADOPTED: March 8, 2007

ATTEST:


Shirley A. Gentry
City Clerk